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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/036,102	11/07/2001	Samuel L. Greenfeld	00009/01UTL	2939

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EXAMINER

RINES, ROBERT D

ART UNIT	PAPER NUMBER
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3626

DATE MAILED: 10/04/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 10/036,102	<b>Applicant(s)</b> GREENFELD ET AL.	
	<b>Examiner</b> Robert D. Rines	<b>Art Unit</b> 3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 02 June 2006.
- 2a) ☒ This action is **FINAL**.                      2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-22 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-22 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |   |   |
|---|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                        | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____   | 6) <input type="checkbox"/> Other: _____                                    |

## **DETAILED ACTION**

### ***Notice to Applicant***

[1] This communication is in response to the amendment 2 June 2006. It is noted that this application benefits from Provisional Patent Application Serial No. 60/246,412 filed 7 November 2000. Claims 1, 9, 16, and 19-22 have been amended. Claim 23 has been cancelled. Claims 1-22 are pending.

### ***Claim Objections***

[2] Examiner's previous objections to claims 19-22 set forth in the Office Action mailed 14 March 2006, incorporated by reference herein, are hereby withdrawn.

### ***Claim Rejections - 35 USC § 101***

[3] Examiner's previous rejections of claims 1-23 set forth in the Office Action mailed 14 March 2006 are hereby withdrawn.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

[4] Claims 1-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lloyd (United States Patent #4,876,648) in view of Ware (Ware, Robert C., IS. Insurance Sales. Indianapolis: Apr. 1986. Vol. 129, Iss. 4; pg. 92, 2pgs.), and further in view of examiner's Official Notice.

[A] As per (currently amended) claim 1, Lloyd teaches a method for improving the completion rate of a court ordered payment plans comprising the steps of: coupling an insurance product with the plan (Lloyd; col. 3, lines 64-68, and col. 4, lines 1-7), where the product includes: a life insurance component (Lloyd; col. 3, lines 64-68, and col. 4, lines 1-7), which provides funds in case of a payor's death during the term of the plan to repay an outstanding debt amount (Lloyd; col. 9, lines 43-58); a disability component (Lloyd; col. 7, lines 36-46), which provided funds in case of a payor's disability during the term of the plan to repay an outstanding debt amount (Lloyd; col. 9, lines 43-58); an unemployment component (Lloyd; col. 7, lines 36-46), which provided funds in case of a payor's unemployment during the term of the plan to repay an outstanding debt amount (Lloyd; col. 9, lines 43-58, and col. 10, lines 32-41); and a premium (Lloyd; col. 6, lines 40-58).

In the response dated 2 June 2006, Applicant has amended claim 1 to add the following limitations, which are met by Lloyd.

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paying a scheduled payment from monies paid by the debtor, or if the debtor is unemployed according to the unemployment component of the product from monies paid under the unemployment component (Lloyd; col. 7, lines 36-46, col. 9, lines 43-58, and col. 10, lines 32-41) of the product or if the debtor is disabled according to the disability component of the product from monies paid under the disability component of the product (Lloyd; col. 7, lines 36-46, col. 9, lines 43-58) or if the debtor dies according to the life insurance component of the product from monies paid under the life insurance component of the product (Lloyd; col. 3, lines 64-68, and col. 4, lines 1-7, col. 9, lines 43-58).

Regarding Applicant's newly added limitation of repeating the paying step until all schedules payments have been made, as is evidenced by Lloyd, it is common among structured debt payment agreements to repeat paying step until all payments have been made (Lloyd; col. 7, lines 14-30).

Regarding Applicant's newly added limitation of transferring the plan back to the court issuing the plan, if a scheduled payment is not paid by the debtor or under the term of the product, as is evidenced by Lloyd, the rights and obligations of the parties involved (i.e., payor and payee) in a structured debt payment agreement are legal terms and conditions of the agreement (Lloyd; col. 1, lines 14-30). Accordingly, Applicant's newly added limitation of transferring the plan back to the court issuing the plan, if a scheduled payment is not paid by the debtor or under the term of the product would be standard recourse for either party should the other party breach the legal terms and obligations set forth in the structured debt payment agreement.

[i] Although Lloyd establishes a debt amount (Lloyd; col. 6, lines 40-49), clearly identifies a payor and a payee (Lloyd; col. 3, lines 44-55), determines a term in months for paying the debt amount (Lloyd; col. 6, lines 40-49, and col. 9, lines 10-22), and a schedule of debt payments to repay the debt during the term (Lloyd; col. 6, lines 40-49, and col. 9, lines 10-22), the invention of Lloyd is directed to securing a mortgage associated debt with an insurance policy. However, the invention of Lloyd would be beneficial to any term oriented repayment of debt in which a debt amount is established with an associated installment plan for repayment, such as a court ordered or overseen structured settlement.

[ii] Official Notice was previously taken by the Examiner, in the Office Action mailed 14 March 2006 that typical court proceedings for cases in which a debtor qualifies for bankruptcy, be it Chapter 13 or other, would serve to fulfill the limitations of establishing a plan to be overseen by a court or other judicial or quasi-judicial body, where the plan includes: a clearly identifiable payor and at least one clearly identifiable payee; a debt amount to be covered by the plan; a term in month for paying the debt amount; and a schedule of debt payments designed to repay the debt amount during the term. Typical bankruptcy proceedings result in a similar repayment plan. Examiner's Official Notice was not traversed by Applicant and therefore is currently noted as admitted prior art.

NOTE: As is noted by Ware, it is common practice and well known in the art to utilize a life insurance policy to add structure to or secure a settlement (i.e., structured settlement) between a plaintiff and a defendant (Ware: Abstract).

[iii] It would have been obvious to one of ordinary skill in the art at the time the invention was made to have combined the teachings of Lloyd with the court ordered structured settlement plans that are typically the result of a bankruptcy proceeding. A typical bankruptcy proceeding would serve to clearly identify a payor and a payee, determine the debt owed and terms for repayment of the debt. The motivation to combine would have been to protect the lender/creditor in the event that the debtor dies, becomes disabled, or is unemployed before the loan (debt) is retired (Lloyd; col. 9, lines 42-58, and col. 7, lines 36-46).

[B] As per claim 2, Lloyd teaches the step of: terminating the insurance product, when the plan is complete (Lloyd; col. 9, lines 10-22).

[C] As per claim 3, Lloyd teaches the unemployment component activates only if the payor becomes unemployed through no fault of the payor during the term of the plan (Lloyd; col. 7, lines 36-46, and col. 9, lines 42-51).

[D] As per claim 4, the examiner is taking Official Notice that it is common and well known in the art that unsecured debt is often bundled as a result of a bankruptcy proceeding (Chapter 13 or other). Further, it is common practice and well known in the art that creditors with an



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outstanding, unsecured debt that becomes bundled are paid a pro rata share of payments. Further, in cases of bankruptcy, a trustee, i.e., a person or agency overseeing the plan often handles the receiving and distribution of funds to ensure that proceeds of each component are disbursed to all qualified creditors of the payor.

[E] As per claim 5, Lloyd teaches the premium comprises a single product payment or a plurality of product payments having the same or different product payment amount during the term of the plan (Lloyd; col. 25, lines 44-57).

[F] As per claim 6, Lloyd teaches wherein the product payments comprise equal monthly payments (Lloyd; col. 24, lines 5-16).

[G] As per claim 7, Lloyd teaches that the product payments start at an initial amount and decrease at a rate proportional to the outstanding debt amount (Lloyd; col. 25, lines 48-58).

[H] As per claim 8, Lloyd teaches the product payments start at an initial amount and increase at a rate proportional to the outstanding debt amount (Lloyd; col. 25, lines 48-58).

[I] Claim 9 differs from method claim 1 by reciting "Chapter 13 Bankruptcy Reorganization Plan" within its preamble, and further reciting "establishing a Chapter 13 Bankruptcy Reorganization Plan" as an initial limitation to the claim. As per this element the examiner is taking Official Notice that should a court determine that a debtor qualifies for a Chapter 13

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Bankruptcy, that the result of the proceedings would typically be comparable to the structured settlement plan reached in proceedings leading to the structured settlement payment plan of claim 1.

[i] Claim 9 further differs from claim 1 by the added limitation of "terminating the insurance product when the plan is complete". This limitation is rejected on the same grounds as claim 2 above (see analysis claim 2).

Applicant had amended claim 9 to include;

paying a scheduled payment from monies paid by the debtor, or if the debtor is unemployed according to the unemployment component of the product from monies paid under the unemployment component of the product or if the debtor is disabled according to the disability component of the product from monies paid under the disability component of the product or if the debtor dies according to the life insurance component of the product from monies paid under the life insurance component of the product; and repeating the paying step until all scheduled payments have been made or transferring the plan back to the court issuing the plan, if a scheduled payment is not paid by the debtor or under the term of the product.

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[ii] The remainder and newly added limitations of claim 9 repeats the same limitations of method claim 1, and is therefore rejected for the same reasons given for those claims.

[J] As per claim 10, Lloyd teaches wherein the unemployment component activates only if the debtor becomes unemployed through no fault of the debtor during the term of the plan (Lloyd; col. 7, lines 36-46, and col. 9, lines 45-51).

[K] As per claim 11, the examiner is taking Official Notice that it is common and well known in the art that unsecured debt is often bundled as a result of a bankruptcy proceeding (Chapter 13 or other). Further, it is common practice and well known in the art that creditors with an outstanding, unsecured debt that becomes bundled are paid a pro rata share of payments. Further, in cases of bankruptcy, a trustee, i.e., a person or agency overseeing the plan often handles the receiving and distribution of funds to ensure that proceeds of each component are disbursed to all qualified creditors of the payor.

[L] As per claim 12, Lloyd teaches wherein the premium comprise a single product payment or a plurality of product payments having the same or different product payment amount during the term of the plan (Lloyd; col. 25, lines 44-57).

[M] As per claim 13, Lloyd teaches wherein the product payments comprise equal monthly payments (Lloyd; col. 24, lines 5-16).

[N] As per claim 14, Lloyd teaches wherein the product payments start at an initial amount and decrease at a rate proportional to the outstanding debt amount (Lloyd; col. 25, lines 48-58).

[O] As per claim 15, Lloyd teaches wherein the product payments start at an initial amount and increase at a rate proportional to the outstanding debt amount (Lloyd; col. 25, lines 48-58).

[P] Claim 16 differs from method claim 9 by adding the following limitations which are taught by Lloyd: activating the life insurance component of the product, if the debtor dies during the term of the plan (Lloyd; col. 3, lines 64-68, col. 4, lines 1-7, col. 9, lines 43-58); activating the unemployment component of the product, if the debtor becomes unemployed during the term of the plan (Lloyd; col. 7, lines 36-46, col. 9, lines 43-58, and col. 10, lines 32-41), until the debtor becomes re-employed and able to resume plan payments or the plan is completed (Lloyd; col. 10, lines 32-41); activating the disability component of the product, if the debtor becomes disabled during the term of the plan until the debtor becomes enabled (Lloyd; col. 7, lines 36-46, col. 9, lines 43-58), re-employed and able to resume plan payments or the plan is completed (Lloyd; col. 10, lines 32-41).

Applicant has amended claim 16 to include the following:

making scheduled payments under the plan from monies paid by the debtor

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transferring the plan back to the court if the debtor fails to make a scheduled payment and payment cannot be made under the life insurance component, the unemployment component or the disability component of the product; and payment cannot be made under the life insurance component, the unemployment component or the disability component of the product.

[i] The remainder and newly added limitations of claim 16 repeats the same limitations of method claim 9, and is therefore rejected for the same reasons given for claim 9.

[Q] As per claim 17, Lloyd teaches wherein the unemployment component activates only if the debtor becomes unemployed through no fault of the debtor (Lloyd; col. 7, lines 36-46, and col. 9, lines 42-51).

[R] As per claim 18, the examiner is taking Official Notice that it is common and well known in the art that unsecured debt is often bundled as a result of a bankruptcy proceeding (Chapter 13 or other). Further, it is common practice and well known in the art that creditors with an outstanding, unsecured debt that becomes bundled are paid a pro rata share of payments. Further, in cases of bankruptcy, a trustee, i.e., a person or agency overseeing the plan often handles the receiving and distribution of funds to ensure that proceeds of each component are used as if the payment was coming directly from the debtor.

[S] Applicant has amended claims 19-22. Claim 19 currently depends from claim 16. Claims 20-22 currently depend from 22. The functional limitations of claim 19-22 do not differ from claims 12-15 and are accordingly rejected for the same reasons given for claims 12-15.

[T] Claim 23 has been cancelled.

*Response to Remarks*

Applicant's Remarks filed 2 June 2006 have been fully considered but they are not persuasive. The remarks will be addressed below in the order in which they appear in the response filed 2 June 2006.

Regarding Examiner's rejections of Applicant's independent method claims 1, 9 and 16, Applicant remarks:

**"First, Lloyd is a mortgage instrument that may include an insurance product. Second, the unemployment and disability components are optional. In the present case, the three components are required. Each component is designed to improve the completion of court ordered plans. The combined teaching of Lloyd and Ware, relate either to mortgages, where insurance components have oft been used or insurance products with settlements between adversaries. However, the combination does not disclose, teach or even suggest the inclusion of such instruments into a court ordered plan."**

In response, Examiner respectfully submits that the establishment of a court ordered payment plan is a function of a court proceeding, which serves to establish required legal rights and obligations of the parties involved, including structured repayment of debt. Because the terms

and conditions of the structure debt repayment are dictated by the court (i.e., court ordered plan), Examiner awards no patentable weight to the chain of events that result in the establishment a court ordered agreement for repayment of debt.

Further, Applicant's limitations of insurance (e.g., life, unemployment, and disability) protections for repayment of a debt are met by the configuration of the Lloyd invention, as set forth in Examiner's rejections of Applicant's claims 1, 9, and 16. While Applicant describes certain components of Lloyd as "optional", Examiner respectfully submits that these components represent design elements that are employed as a result of user choice.

Lastly, in adding the payment and repeating steps in claims 1, 9, and 16, Applicant is merely executing the provisions of the agreement as defined by Lloyd. Examiner directs Applicant's attention to the teachings of Lloyd, which clearly indicate that Lloyd is not only establishing a contractual relationship, but also executing the terms and provisions of the agreement (Lloyd; col. 8, lines 29-51).

In conclusion, all of the limitations which Applicant disputes as missing in the applied references, including the features newly added in the 2 June 2006 amendment, have been fully addressed by the Examiner as either being fully disclosed or obvious in view of the collective teachings of Lloyd, Ware, and Examiner's Official Notice (herein entered as admitted prior art) based on the logic and sound scientific reasoning of one ordinarily skilled in the art at the time of the invention, as detailed in the remarks and explanations given in the preceding sections of the



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present Office Action and in the prior Office Action (mailed 14 march 2006), and incorporated herein.

### *Conclusion*

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Robert D. Rines whose telephone number is 571-272-5585. The examiner can normally be reached on 8:30am - 5:00pm Mon-Fri.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas can be reached on 571-272-6776. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

RDR

*R. D. W. 8/20/06*

*Joseph Thomas*  
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SUPERVISORY PATENT EXAMINER